LEWIS'S NOTE SAID TO HAVE DISAPPEARED

Court Security for \$146,375 is Not in Bank's Assets.

WOULD SUE THE DIRECTORS.

Badley May Move for Prosecution for Unlawful Conversion-Stephens Says Board Ordered It Stricken Off.

The famous \$195,375 note that has figured so prominently in the People's United States Bank receivership matter has disappeared from the bank's assets, accord-ing to the assertion of Attorney General Hadley to Judge McEillianty in the Clayton Chemis Court yesterday morning.

The lank afficials claim that the note. was to over expenses of organization, and the paper may be suplaced.

Between the receiverships of Julige Selden P. Spene r and Fred Essen, the directure of the bank, declared the Attorney General, out of the goodness of their hearts, gave the note to E. G. Leads, who

the Madhey hald beleathly coment was made on the authority of Senator A. E. L. Gardner, E ma's audrney, who replied in that manner to a request for information con-An affidated to this effect was filled in

the Clayton Crouit Court yesterday by John E. Swanger, Secretary of State. E W. Thoughou and C. A. Arlogast signed the more with Lewis, Mr. Hadley's a my se in visiting the St. Louis yesterday was to argue bis made before Judge McEihinney. for an order of court directing the fa-

ceiver to bring suit open the note. Besides, the Attorney General-said he would reserve for future consideration a mother to direct Receiver Essen to an the bank directors for an alleged unlawful conversion of bank assets.

DISTRIBUTION OF ASSETS. Senator Gardner and Julge Klein. Easen's attorneys, ugte in court to present their motion for an order on the recelver to notify the stockholders that their claims must be presented between the first Monday in December, 1965, and the first Monday in March, 1908, if they destred to participate in the distribution of the assets of the estate. General Hadley thought the idea a good one, but sugthat the stockholders be notified to the their chains even before that. He also suggested that they be notified of the exact condition of the bank, how much would be paid, and that the holders notify the receiver if they have assigned any stock if so, to whom, and whether the desire to revoke the assignment.

General Hadiey stated to the court that Lowis had obtained more than \$1,500,000 in assignments made by the bank subscribers. He suggested that the proposed ner that all the stockholders would see it Mr. Hadley wants the stockholders, if they so desire, to be given an opportunity to explain the assignments in order to enlighten and assist the court in passing on his motion to have the assignment declared null and void and the receiver

instructed not to recognize them, Judge McElninney took the suggestions under advisement. SAY NOTE CAN BE REPLACED.

Former Governor Lon V. Stephens, one the matter last night, said: "If General Hadley had been a banker he would not have made quite so broad a

"After the first receiver was discharged we employed Mr. James Hayward to audit the accounts of the bank, and this matter. among others, was taken up. He found that the amount represented the expenses of the premotion of the bank. Receipts were on file for every cent that was spent in getting together the \$2,500,000.

Thousands of deliars were spent in postage alone, for Lewis sent out letters dmost by the carload. Then there was the printing, such as bank books, pass herebs, checks, certificates of deposit and etternev's fees amounted to a large sum. The note was not a legitimate asset. and, for that reason, the board ordered improperly charged off, it can be replaced, as as far as I know, it has not been denergovered.

E of Lewis is at present out of the county, but is expected to return to-day,

INHERITANCE TAX IS LARGE. Revenue to Illinois From Cook County Is \$490,184.

Springfield, Ill., Oct. 7 - Attorney General Stead to-day received the report of The report shows that since his appointment Mr. Pinckney has collected a total of \$490,184.75 and has one case pending in the Supreme Court width will add about 18,000 to this amount.

In his last report to Attorney General Hamlin, E. M. Asheraft, who preceded Mr. Pinckney in this office, estimated the rate of inheritance tax collections in Cook Journ's at \$100,000 a year, and suggested proposition. He said the telegram outsome reform in the method of making

The matter of putting these reforms into execution was let to Mr. Pinckney, and has succeeded in nearly doubling the total of collections,

FOOTBALL PLAYER MAY DIE.

Injuries to Swarthmore Collegian Expected to Prove Fatal.

Philadelphia, Pa., Oct. I.-F. Fugue of College, is in the university hospital peri- action adopted. ously injured as the result of feetball

practice The physicians have little hope of his recovery. He is suffering from hemorrhage

VENEZUELA PURCHASES ARMS. Forty-Two Batteries Ordered From French Works.

spelan Government has ordered from the of field artitlery and twelve batteries of mountain gues of seventy millimeters call-

MISSOURI INSURANCE COMMISSIONER NOTIFIES PRESIDENT M'CALL HE MUST REFUND CAMPAIGN MONEY OR QUIT BUSINESS IN STATE

Attorney General Tells Clayton M'CURDY TELLS UNEXPECTED THINGS ABOUT THE MUTUAL



RICHARD MCCURDY.

President of the Mutual Life Insurance Company. His sin and son-in-law have re-ceived in personal empluments from the company more than \$2.00.000

MAY FORCE HYDE

Equitable Vice President and

Other Missing Witnesses.

Extend Life of Committee So

Subpoena Will Be Effect

ive Indefinitely.

New York, Oct. 7 .- if James H. Hyde.

Thomas D. Jordan and William H. Mc-

Intyre persist in refusing to come withi

the jurisdiction of the Insurance Investi-

gating Committee, the members of the

committee will endeaver to make perma-

nent the banishment of the three former

Equitable officers from their home State.

This intention of the investigators was

made known to-day on the highest author-

ity, although the committeemen them-

The fact is that the three Senators and

the five Assemblymen have been advised

that it is within their power to punish

to testify. Certain members of the com

mittee, angered at disregard of their re-

quest to the three recalcitrants, set about

finding a way of retaliation several days

ago, and they think they have found one

in the pian to ask the Lerislature for a

continuation of the committee's powers

There is no legal obstacle in the way of

this, and if the Legislature votes to pro-

long the life of the committee, the fugi-

tives must remain in other States or ren-

der themselves liable to subpoena service

While the present term of the commit-

tee, with he hearings lasting into Decem-

ber, will be sufficient for gathering the

evidence needed in recommending new in-

surance laws, the legislators and their

counsel are known to consider the testi-

mony of Hyde, Jordan and McIntyre as

highly important in the ultimate uncover-

ing of abuses in the "mutual" corpora

"They must either appear and tell what

they know, or must stay away from New

York for years to come," declared a man

iosely in touch with the committeemen's

bent upon this course, even if it is only to

punish the runaways, for they consider it

a damaging precedent to let the Legis-

James H. Hyde is in Newport new, but

has gone into Boston occasionally within

the last month. William H. McIntyre was

reported to be in Boston systemary, but

has been spending his prolonged holidays.

it is said, in the White Mountains. Thom-

as D. Jordan's whereabouts is unknown to

the committee or its counsel, and, try as

they might, they have been unable to dis

AMERICAN INSURANCE

SPECIAL BY CARLE

attention here.

trace of his movements since

SCANDALS STIR ENGLAND.

London, Oct. 7 .- The disclosures of the

methods employed by the inner ring of

the three great New York insurance com-

panies are only gradually claiming publi-

The original scandal between Mesers

Alexander and Hyde on the Equitable

Board had been fully described in the

press, though with a tendency at first to

be reserved in comment, but the daily die

putches reciting the evidence of Messrs.

McCall Perkins. Winthrop and others

arouse an unfavorable criticism on all

sides, which must come near to wrecking

the connection of these three companies in this country.

The statement that the main assets and insurance funds are intact is reassur-

In this country.

The statement that the main assets and insurance funds are intact is reassuring to our public, because general opinion was inclined to fear that the low standard of honor in fiduciary matters probably was only sister to fraud and peculation. Besides, the plain man hates to hear of books bring altered. Under these circumstances he is not chartrable.

ature's summons be disregarded."

"The majority of the committee is

selves were slient when asked about it.

REPUBLIC SPECIAL

through next year.

Lawson of Boston Asks Missouri Inquisitors Determined to Hear Governor to Serve on Committee.

TO HAVE FUNDS RETURNED. PLAN TO PUNISH

Missouri Executive Declines 19 Legislature Will Be Requested to Take Up Responsibility and Explains His Reasons.

McCALL HAS NOTHING

TO SAY TO VANDIVER. New York, Oct. 7 .- A dispatch

of the directors of the bank, in discussing equation of the substance of Superintendent of Insurance Vandiver's • message to President John A. Mc- • · Call of the New York Life Insur-· ance Company was shown to Mr. · . McCall to-day, and he was asked · if he would make public any reply · • to it. He replied: "I have noth- • o ing to say. B ***************

> Boston, Oct. 7.-The telegram received Hyde, Jordan and McIntyre for declining by Governor Folk of Missouri from Thomas W. Lawson of Boston was sent by Mr. Lawson in connection with a movement to form a committee, including the Governors of several States, and other persons of prominence, to secure restitution of funds alleged to have been wrongfully and the punishment of those guilty of criminal action in connection therewith. Mr. Lawson's telegram follows:

"Will you, with other Governors and strongest representative men of the coun-Committee of Equitable, New York Life and Mutual companies. Committee unfet-New York and Mutual and select directors and controllers who shall be pledged to obtain full restitution and full punishment M. W. Prockney of Chicago, Inheritance | punishment of Equitable wrongdoers. No Tax Collector for Cook County, to which expense to committee nor need committee column be was appointed has March | travel. Committee to represent no faction, and obligated to no one except policy hold. ers. It has been decided you should represent your section in this sacred duty Kirdly wire answer, my expense. This is vital. You will not be bound until other members' names shall be submitted to

> Lawson to-day declined to discuss the lined the plan sufficiently for present purposes. He also declined to make known the names of the persons to whom the tolegram had been directed, although he sald that many Governors, as well as eading civilians, were among those ad-

> It was his purpose, he said, as soon as possible to announce the names of those who had accepted the invitation to act men the Protective Committee.

As soon as the personnel of the commit ter was decided, he said, organization Pendleton. Ind., a student at Swarthmore | would be effected and a definite plan of

GOVERNOR FOLK REFUSES LAWSON'S INVITATION.

REPUBLIC SPECTAL. Jefferreit City, Me., Oct. 1 -Governor Folk says be cannot accept Lawson's invitation to serve on the Committee of Governors in the insurance disclosures. The Governor wired Mr. Lawson, saving he appreciated the invitation, but his of-Caracus. Venezuels, Oct. 7.-The Vene- ficial duties would not permit him to encage actively on such a committee, and recoot works, France, thirty batteries of that he could not accept without knowing more about what was to be done and what other Governors would be on the

TO NEW YORK LIFE

Considers Contributions for Political Purposes a Violation of a Trust if Not . Embezziement.

MONTH ALLOWED FOR ACTION.

Vandiver Notifies President of New York Life That Funds Contributed to Republicans Must Be Restored.

LICENSE MAY BE REVOKED.

Such Action Threatened Unless Restitution to Policy Holders Is Made - Missouri Department Also Insists on Resignation of President and Vice President of Company.

REPUBLIC SPECIAL Jefferson City, Mo., Oct. 7.-Commiss r Vandiver gave out the following comunication to John A. McCall, president of

the New York Life, to-day:
"Jefferson City, Mo., Oct. 7.—Mr. J. A.
McCall, Penident New York Life Insurance Company: Dear Sir-The recent startling disclosures in regard to the management of the funds of New York Life Insurance Company and particularly the testimony of yourself and of other officers of the company given before the investigating Committee of the New York Legislature, makes it my duty as Superintend ent of Insurance for the State of Missouri to communicate to your company the views and requirements of this department, to the end that the policy holders in this State may not be defrauded of any portion of the dividends or surplus earnings that are justly due them on the

premiums they have paid. 'The public has been very properly taught by yourself and other officials of great insurance companies that the funds of a mutual company constitute a fiduclary trust, held and administered for the sole use of those named as beneficiaries many of whom are or will be widows and orphans, and many thousands of people have taken insurance in your co because of this very fact, and the as surance that every dollar of its assets

belongs to the policy helders. "That any portion of the policy holders' premiums or profits on premiu be diverted to political purposes or other user not contemplated when the premium were paid in, and not consistent with the avowed purpose of a life-insurance organization, must be considered by all rightthinking people as a gross violation of a sacred trust, if not embezziement, as de-

fined by the statutes. "This department holds, therefore, that all moneys taken by your order from the treasury of the New York Life Insurance Company, and donated to any political campaign committee or to any legislative agent or lobbyist for aiding or defeating legislation, whether audited or unaudited on the books of the company, were taken without warrant of law or morals, and without proper appreciation of your responsibility as the trustee of funds committed to your keeping.

"And, therefore, this department insists that all funds so used by you, or by your order, and particularly the sum of \$14. 702 ie, which amount you confess to having contributed out of the funds of the company to the Republican National Campaign Committee for the years 1896, 1900 and 1964, must be replaced in the treasury of said New York Life Insurance Company within the next thirty days.

"Notice is hereby served upon the New York Life Insurance Company, through you as its president, that, unless this requirement is met, or assurance given that t will be met without unnecessary delay. . as Superintendent of Insurance of Misouri, will proceed under the provisions of section 8/22. Revised Statutes of Missouri, to cancel or reveice the license of the company to do business in this State. "There are many other transactions dis-

closed by the investigation now in progress, particularly the payments of sums of money to one Judge Hamilton without any accounting or auditing on the books of the company and the occupancy of costly real estate of the company by members of your family at rental so law as to be practically a gift of the proper ty; and also the protection of a subsid ary company from the loss of many thou ands of dollars by the use of policy holders' money, as well as the immense and disproportionate expense of the company in its mad rush for new Business, all of which indicate the grossest impropriety and recklessness in management, and may call for further investigation and official action.

"But from the facts sirebdy disclosed, it s evident that the interests of the policy holders of the New York Life Insurance Company, as well as of the public generally, demand a change in the manage ment of the company. This department, therefore, will insist that a new president and vice president and Finance Commit tee be put in charge of the affairs of the company as soon as its Board of Directors may be able to effect the change.

MINNESOTA GOVERNOR WILL SERVE ON COMMITTEE.

St. Paul, Minn., Oct. 7 .- Governor John Thomas W. Lawson, seking him to be one, with other Governors, of a prospective restitution of the money by the Mutual. New York Life and Equitable companies, and to punish the guilty officials. Governor Johnson replied to Mr. Law on, accepting his proposition. Governo Johnson said, concerning his answer; Lawson in any reform of which he is the

head, for I believe he is in cornect."



JAMES HAZEN HYDE.

ice president of the Equitable Insurance Company, whose famous banquet le to a fight for the control of the company and started the subsequent

LIFE INSURANCE OFFICIALS **CONFESS TO OFFENSES FOR** WHICH THEY MAY BE INDICTED

Testimony Brought Out at Hearings of Legislature's Investigators Appears to Warrant Action on Criminal Charges Against Officials of Three Leading Companies-Corruption of Legislators, Misuse of Money, Maintenance of Boodle Fund, Participation in Syndicate Deals and Nepotism Among Wrongs.

SUMMARY OF CONFESSIONS OF THE MAIN WITNESSES

REPUBLIC SPECIAL.

New York, Oct. 7 .- As the investigation nto the methods employed by officers of several life insufance companies progreezes, the more startling are the exposures of illegalities in their handling of

An epitome of actual crimes indictable and punishable by fine and imprisonment as well as the moral offenses which the law does not reach, committed in the the confessions under oath of the high officials of these companies before the Legislative Insurance Committee, is here presented. ernor by acclamation by the Democratic

The men who have made the confession and admissions by which the most colossal financial scandals in American busines history are uncovered, are: John A. Me 'all, president of the New York Life Instrance Company; George W. Perkins. partner of J. Pierpont Morgan and vice president of the New York Life; Rober H. McCurdy, son of Richard H. McCurdy president of the Mutual Life; Jacob H. Schiff, a director of the Equitable; John C. Mct'ail. secretary of the New York Life, and son of its president; Frederick fromwell, treasurer of the Mutual, and a number of others equally prominent.

Among the transactions which have no egal or moral countenance are; Diversion of profits, which should have come to policy holders, corruption of Legis latures to prevent enactment of unfavor able legislation, the maintenance of a coruption fund, contributions to Republican campaign funds, participation in syndicate deals, by which profits which should have occrued to the companies were directed. and flagrant instances of negotiem by which millions have gone into the pockets of men at the heads of the big concerns. McCALL'S CONFESSION.

Here are the facts which these high inanciers and noted administrators of vast organizations have confessed under oath: John A McCall, president of the Nev

York 44fe Insurance Company: First-That the public statements of the New York Life are false. It is a crime for a life-insurance company to issue fals statements. Second-That "Judge" Andrew Hamilton

was retained as the companies' represent-

ative at Albany, and that money expended to prevent the passage of undesired legislation. It is a crime to corrupt a Legislature. Third-That the books of accounts of the New York Lafe were "cooked." The falsification of the account of a life-in-

surance company is a crime. Fourth-That the money of the policy holders was taken to pay the cost of ob taining new policies. Larceny is a crime. Fifth-That contributions aggregating \$150,000 were paid to the Republican national campaign funds for the last three presidential elections, without authorisa-

tion of policy holders, the majority of whom are Democrats. This is a missppropriation of trust funds. Sixth-That since 1999 the New York Life has paid to Hamilton SCART IC for "legis lative purposes," and considerable sumi to others, bringing the grand total up to 800.17.62 Hills for Hamilton's services during the present year are expected to

total \$155.000. This is bribery PERKINS'S DISCLOSURES George W. Perkins, J. Pierpoint Morrun's partner and vice president of the

W York Life: First-That the New York Life.

Equitable, has a "yellow dog" fund fo the payment of political contributions and other secret expenditures, the purposes of which are not entered upon the books of the company. This is bribery.

Second-That the money constituting this fund comes from the so-called "nor edger assets"-that is, securities not caried upon the regular books of the comcany, but upon sheets, and not mentioned in the annual reports. This is a violation the insurance law.

Third-That President McCall has the rerogative of ordering the payment of ums as high as \$100,000 without the auhorization of the Finance Committee r any other body of men in the comany. This is a violation of the insurance

Fourth-That Perkins, acting for the New York Life, sold to Perkins, acting ternal mercantile marine bonds on De ember 21, 186, and on January 2, the nex usiness day, he sold them back, thereby hanging the face of the report of the New York Life. This is a violation of the insurance law.

Fifth-That checks for the Republican ampaign Committee in 1904 were made payable to J. P. Morgan & Co. by the New York Lafe and not to Cornellus N Bliss, treasurer of the Campaign Committee. This was the coal of an illegal

MCCURDY'S FAULTS.

Robert E. McCurdy, superintercient of oreign department of the Mutual Life: First-That he received as commissions n every policy of insurance wiftten for the company in Europe, Asia, Australia and Africa, an aggregate of \$1,36,369. This was diversion of profits.

Second-That since 1896 he has drawn out of the treasury of the company in alaries and commissions a total of \$1,894. its. This was excessive, according to his own admissions. Third-That Louis A. Thebaud, son-in-

law of President Richard A. McCurdy, re-Staten Jeland insurance since 1995, up to 1984, a total of \$52.42, and his commi this year will total nearly \$20,000. This ne his is a figarant instance of nepotism Fourth-That the firm of Raymond & 'e -- to which young McCurty and Thehaud belonged, receiving one-fourth of th rofits-receives enormous commission from the company, and was given control of the business within the Metropolitan district. This is misuse of trust funds. THUMMEL'S WRONGR

Warren P. Thummel, legislative agent f the Mutual Life Insurance Company Pirst-That he performs for the Mutual such services as "Judge" Hamilton per forms for the New York, Bhuitable Mutual. This is influencing legislation. Second-That he paid to Congresses

Pabench, chairman of the Republican o prevent the election of a Democratic House last autumn. This is a misappro priation of trust funds. Third-That the three hig o

Equitable, New York and Mutual, have divided the country into metions for the purpose of influencing and controlling legof public officials.

D. P. Kingsley, vice president of the New York Life, and son-in-law of Prest-

Pirst-That the New York Life juggled its accounts to make a fine showing in its annual reports. This is called "window ing," and has been held by the So-

FOR PACING MILE

Son of Joe Patchen Negotiates Distance Over Historic Lexing:on Track in 1:55 1-4.

Previous record was 1:56.

Preceded by Runner, to Whose Sulkey Was Attached Only a Dust Shield; Strong at Finish as at Ftart.

NOT TOUCHED BY THE WHIP.

Wednesday Premier of His Family Will Go Against Time of 1:59 1-1 Made Without Dust Shield-Other Records Are Broken.

Lexington, Ky., Oct. 7.-Dan Patch, king pacers, to-day clipped three-quarters of a second from his own, the world's ecord, negotiating the mile in 1.55%.

A crowd of 18,000 was already in a high tate of enthusiasm over the smashing of the 1965 race record, and the world's -heat record successively, and when Dan Patch's time was announced excite-

ent approached frensy. Cheering people threw hate and wraps nto the air and surged into the track. despite the efforts of the policemen, the ova-tion continuing for several minutes.

The great son of Joe Patchen and Zellika appeared for his trial at 4 o'clock was no wind and the weather were ideal. Scott Hudson was

A strip of cloth between the wheels of the ferward sulky to prevent dirt being thrown behind was the only suggestion of a wind shield. Hersey was behind Dan Patch. The books offered 4 to 5 either way on the result of the effort. There were cheers when 34 was hung

out for the first quarter., Dan Patch's nose was almost against Hudson's coat. and the crowd began vainly yelling to Hudson to move up. Hope was stimulated when Si's was proted for the half. Excitement became intense when the threequarters was passed in 1:304c, and the spectators began shouting encou

Into the stretch came the great pacer still keeping his even, seemingly effortless stride. The runner at his sulky wheel began to crawl up. Hudson gave a little more rein. but Herrey sat like a statue, not urging his charge with whip or word. it. He had scarcely broken into a sweet when led back to receive the plaudits of

the crowd. ouncer publicly thank Hudson for his work as necessater. He also anne that Dan Patch Wednesday wo against the record of 1:55%, made without dust shield.

PASTEST HEATS. The three fastest heats ever paced marked the 2:06 event, and the ave time for the total heats of the day was

the fastest on record. In the initial heat of the 2:56 pace. Hazel Patch gave the Lexington track the 1905 race record of 2:00%. The next heat was won by Laconda in 2:02 flat. He likewise claimed the third heat in 2:00%.

The three finishes were pr most heart-breaking seen this year. Nahan Straus, the favorite throughout the pooling, though fields sold at from 60 to to to 50 to 30, had to be content with third money. The betting in the event was the

Scott Hudson was in the sulky for the first time this season, behond Nervolo.

Second-That a dummy sale of bond was made December 31, 1984, to W. S. Fanshawe for \$37,500, and that on January 2, 1904, tife company loaned to W. S. anshawe on these same bonds \$867,500 Juggling the assets of an insurance com pany is a crime. Third-That J. P. Morgan & Co. profited

to the extent of 6 per cent for two days

on the 200,000 bond transaction which Perkins termed a bonz fide sale, but which Morgan & Co. regarded as a loan. This involved a faise statement of the condition of the New York lafe. Fourth-That large losses made by the New York Life were hidden and practical

ly written off the books by charging them against profits on reparate transactions MAINER TESTIMONY.

Aifred M. Maine, associate auditor of First-That the Equitable Life paid to "Judge" Hamilton sums aggregating 36. 20 for work in Albeny. Second-That the Mutual Life had the

same arrangement with Hamilton as the Third-That the three big insurance companies share the expense of shaping insurance legislation in different

Fourth-That the New York Life has written down the valuation and cost of its buildings in order to show, in the annual reports, a higher percentage of come on the investments. This is faleifination of the reports.

The investigation has shown flagrant instances of nepotiem in the three compa-

John A. McCall has placed in the New York Life his son, John C. McCail; Albe McClave, a son-in-law; Vice Presid Kingsley, another son-in-law; Johns Call, his brother, and F. A. Greet .85 brotherin-law, all of whom rec hand-Richard A. McCurdy, when \$9.75

salary of \$150,000 a year FES office, or in a position to son, Robert H. McCur-rapory \$1.23 law, T. A. Thebaud. have taken \$1.72.0 at top-